



Pension Benefit Guaranty Corporation

NOTICE OF RIGHTS FEDERAL CLAIMS COLLECTION

Calculation of Interest, Penalties, and Administrative Costs

PBGC assesses interest, penalties, and administrative costs on its debts in accordance with 29 U.S.C. § 1307(b) and 29 C.F.R. §§ 4007.7, 4007.8. PBGC will also add to the obligation any actual out-of-pocket costs incurred by the PBGC to collect this debt. Unless waived or compromised, interest, penalties, and administrative costs will continue to accrue until the entire balance of your obligation has been satisfied.

Methods of Collection

If you fail to pay or otherwise resolve the debt in a timely fashion (e.g., within 45 days of receiving the demand letter), PBGC may seek to enforce collection through one or more of the following actions:

- *Offset.* PBGC may offset your Federal payments, including but not limited to income tax refunds and vendor payments.
- *Private collection agency.* PBGC may refer the debt to a private collection agency.
- *Credit bureau reporting.* PBGC may report the debt to a credit bureau.
- *Litigation.* PBGC may refer the debt to the Department of Justice to initiate litigation to collect the debt or it may initiate litigation on its own.
- *Treasury Department's Financial Management Service.* PBGC may refer this debt to the Department of the Treasury's Financial Management Service for collection.

Mandatory Referral for Collection

If the debt remains delinquent for more than 180 days, Treasury Department regulations require that PBGC refer the debt to the Department of the Treasury's Financial Management Service for collection by any of the means described above.

Alternative Payment Arrangements

PBGC will consider requests to establish alternative payment arrangements. If you wish to explore this possibility, you should contact the official charged with responsibility for collecting your debt. Be advised that Treasury Department policy requires PBGC to collect valid debts in a single lump sum whenever possible. Debtors requesting installment plans may be asked to furnish: (a) verified financial statements confirming that they are financially unable to pay a debt in a single lump sum; and (b) collateral securing repayment of the obligation. In most cases, the payments called for under any installment plan must be large enough to liquidate the debt within 3 years.

Eligibility for Federal Loans, Guaranties, and Insurance

Persons with outstanding debts to a Federal agency may be barred from obtaining Federal financial assistance in the form of loans, loan guaranties, and loan insurance.

Bankruptcy

You must promptly notify the claims collection official in the event that you or another entity liable for the debt files for protection under the Bankruptcy Laws of the United States.

Right to Inspection

You may inspect and copy non-privileged PBGC records relating to the debt by submitting a written request to the claims collection official. Your request must include your address, your signature, and a photocopy of a picture ID or other satisfactory means of establishing your identity. If a legal representative makes a request on your behalf, the request must also contain a power of attorney or other document reflecting his or her right to act on your behalf.

Administrative Offset of Federal Payments

Administrative Review. In most cases PBGC will provide administrative review based upon the written record, including documentation provided by you. PBGC may provide you with a reasonable opportunity for an oral hearing when you request review of the debt owed to PBGC and PBGC determines that the question of indebtedness cannot be resolved by a review of the documentary evidence. To request administrative review, you must send to the claims collection official at the address listed in the demand letter a written request containing the following information, when applicable: (a) a detailed explanation of why you believe the debt is not owed, delinquent, or enforceable; (b) if you are under a payment plan, a detailed explanation of why you believe the terms of payment should be modified; (c) any documentary evidence that supports your arguments; (d) whether you are requesting an oral hearing; and (e) a detailed explanation why a review based on the documentation would not be sufficient.